



1939

## Book Reviews

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### Recommended Citation

Field, Emmet R. and Pittman, William H. (1939) "Book Reviews," *Kentucky Law Journal*: Vol. 27 : Iss. 2 , Article 13.

Available at: <https://uknowledge.uky.edu/klj/vol27/iss2/13>

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## BOOK REVIEWS

ANNOTATIONS ON SMALL LOAN LAWS, by F. B. Hubachek. Russell Sage Foundation. Judge William H. Field, of the Jefferson Circuit Court, in an opinion in recent litigation involving the 1934 Kentucky Small Loan Act, observed that:

"The matter is of large public importance. It involves the integrity and tests the efficacy of a remedial statute directed at one of the great evils of all time and intended to ameliorate the condition of humbler borrowers. . . . "The question involves an economic problem to which, until comparatively recent times, too little influential thought has been constructively addressed, because, perhaps, of the comparative obscurity of those affected and their patient acceptance of conditions."

Almost simultaneously with the above observations F. B. Hubachek, of the Chicago Bar, presented a valuable work for the use of those interested in the new field of law created by the widespread enactment of legislation regulating the small loan business. His book, *Annotations on Small Loan Law*, published this year by the Russell Sage Foundation, New York, is a treatment of judicial decisions concerning the validity and interpretation of such acts and an analysis of devices to evade usury laws.

By the turn of the century the problem of the small borrower had assumed such proportions and conditions were so outrageous that they challenged the interest of the socially-minded in practically every industrial section. Existing usury laws were hopelessly inadequate as a means of checking the practices employed to evade them, borrowers struggled under the weight of illegal, exorbitant and extortionate charges, and thousands were enslaved to unscrupulous lenders in a bondage of debt. The Russell Sage Foundation, after exhaustive inquiry, evolved a small loan act, which was designed as a model for actual legislation. Thirty-three states have adopted generally similar statutes, permissive and regulatory in character, all based in general upon the Foundation's model. A great mass of judicial interpretation has ensued and the case law in this new field, as revealed by Mr. Hubachek's book, is surprisingly extensive.

The work is essentially a reference book, and not a textbook. It contains citations of all small loan acts now in effect, a general table of cases including all the decisions of courts of last resort reported prior to 1938 and directly involving small loan laws, an arrangement of cases under appropriate divisions of the model act, a grouping of citations relating to evasions, and several of the revisions of the model, including the sixth or current revision, upon which the book is based. The explanatory notes are severely concise but entirely adequate, and the work as a whole is an example of what may be accom-

plished through strict adherence to purpose by an author who is thoroughly familiar with his field.

This concentration upon the immediate objective is so direct that the work does not anywhere suggest, in terms, its real significance. It is in fact a milestone in the fight to free the humble borrower and the essential small loan business from the evils of the vanishing loan-shark era. The work is the first to marshal under one cover the results of the battle on all fronts. It is not the book itself, but the material therein compiled, which makes it clear that constructive thought has been applied to the problem with tremendous effect. The small loan business has been harnessed with rules of conduct, an impressively large majority of the law-making bodies of the Nation have considered the requirements to be practicable, and the courts have consistently attested their legal propriety. It seems to follow that regardless of the extent to which one may agree or disagree with the philosophy of prevalent statutes or with the righteousness of specific parts of them, the principle of permission, regulation and supervision in the small loan field has become permanently embodied in our social legislation. Lastly, in view of occasional charges that the Bar is guilty of lethargy in matters of social import, it should be noted that the author of this complete record of social progress in such an appealing field is a member of the legal profession, who has achieved eminence through a passion for social decency and an inspired interest in the economic and social welfare of the masses.

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**THE INTERSTATE COMMERCE COMMISSION—Part Four.** I. L. Sharfman. The Commonwealth Fund. New York, 1937. Pp. 1-550.

In 1920 the Legal Research Committee of the Commonwealth Fund began an examination of the growing field of administrative law. Under its auspices, studies were made of the actual workings of selected administrative bodies, "it being deemed that such intensive studies in administrative law and practice are the prerequisites to an appraisal of what administrative law really does and a guide to what ought yet to be done" (Foreword). The present volume is the last of the four parts (five volumes) of Professor Sharfman's authoritative study of the work of the Interstate Commerce Commission from the point of view of administrative practice and procedure. Parts One and Two, published in 1931, trace the legislative history of the Commission's authority and survey the scope of its broad jurisdiction. Part Three (in two volumes, published in 1935 and 1936) is an analysis of the nature of the diverse activities or functions of the Commission. The concluding part deals with the Commission's organization and procedure.

In the first chapter of this volume is found an interesting study of the men who have served or are serving as commissioners and the political, sectional, personal and meritorious considerations which have influenced appointments. "It is the degree to which these influences command recognition that differentiates generally sound from generally unsound practice" (p. 48), and the conclusion reached is that dominant emphasis has been on considerations of character, training and experience. There is also an analysis of the administrative organization of the Commission, a necessarily complex mechanism, but so flexibly fashioned, the study reveals, as to provide sound, efficient and prompt execution of the administrative task.

A practically useful chapter is one on procedural processes of the Commission. It covers, in considerable detail, the technical processes of adjudication on informal and formal complaints and in special types of proceedings. It is an interesting observation that, despite great freedom accorded to the Commission on procedural matters, there is nevertheless a sound insistence upon procedural regularity which is indispensable both to efficient administration and the safeguarding of essential private rights. Significant, and timely as well, is Professor Sharfman's judgment that the procedural processes prescribed by law and evolved through experience contemplate complete independence on the part of the Commission in reaching its determinations, subject only to such statutory provisions as may prevail.

Finally, there is a discussion of the pressure of the increasing functions which have resulted from the marked expansion of the Commission's activities and the various expedients, within the existing framework, resorted to to meet the increased administrative burden. There is also an examination and appraisal of current proposals for reorganization of a more fundamental character. To these proposals and to the larger question of administrative regulation, Professor Sharfman answers, in conclusion:

"Since the administrative method of control, as exemplified in the Commission's functioning, is probably established beyond recall, more fruitful results are bound to flow from efforts looking to its improvement than from outright condemnation of its use. Such improvement, in the field of the Commission's jurisdiction as elsewhere, may be effected in a variety of ways: through increased emphasis upon strong personnel; through more ample provision of financial support; through greater vigilance against executive interference with administrative independence, whether by manipulation of the appointing power or by express subjection of the regulatory commissions to political control; through more vigorous resistance to legislative recognition of special interests, by direct statutory concessions to disgruntled litigants and other pressure groups; through greater consistency by the courts in the restriction of judicial review to matters of administrative power; through more meticulous attention by the administrative tribunals to the importance of orderly procedures, careful findings, and reasoned determinations. Only by means of this character, coupled with complete relinquishment of obstructive tactics, can the possibilities of the administrative method be fully realized. The Commission's processes and practices, which have pointed the way in

many directions, are subject to continuing development and betterment, but its record of half a century has clearly demonstrated that there is no basic conflict between regulation by an administrative tribunal and the preservation of essential legal values." (P. 386.)

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